



PRESS RELEASE

Matrix announces launch of two Clean Energy VCTs aiming to generate attractive long term levels of income

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17th January 2011: Matrix, a specialist in investing in the clean energy sector, today announces the launch of two Clean Energy VCTs, Matrix Clean Energy VCT 1 plc and Matrix Clean Energy VCT 2 plc in a Linked Offer, aiming to raise £12.5 million per VCT. The VCTs have already received reservations for investment which in aggregate total £10.5 million.

The primary investment objective of both Companies is to generate attractive long-term levels of income by investing the majority of net proceeds raised in companies undertaking Clean Energy projects, predominantly industrial rooftop solar energy projects in the UK and potentially Europe.

The two Companies, will aim to pay to shareholders average **annual dividends of 6.5p per share**, from year one to year five, subscribed at £1 per share. This represents an **annual 9.3% return** on the net investment of 70p per share for qualifying investors who are able to claim the full 30% upfront income tax relief. To receive an equivalent net yield, higher rate tax payers would need a dividend of **12.4%**, and additional rate tax payers would require a dividend of **14.5%**.

Key features include:

- Pipeline of **exclusive opportunities for solar energy projects** negotiated with Gazeley Limited, a leading developer of distribution warehouses.
- The VCTs have already received reservations for investment which in aggregate total £10.5 million.
- The electricity sales benefit from a UK government backed Feed-In tariff, launched in April 2010, for 25 years and which is **RPI linked**.
- Aims to **invest the majority of funds by April 2012**, before the government is likely to review the feed-in tariff regime.
- **Planned exit option after 5 years** and attractive share buyback policy
- The VCTs will be advised by the Matrix Clean Energy Team which has **raised and invested over €60million of capital (debt and equity) for renewable energy projects**.
- The Linked Offer opened on 17 January 2011 and closes on 30 April 2011, allowing investors to subscribe for both the 2010/2011 and 2011/2012 tax years.

Detailed Information

The Companies will be advised by Matrix-Securities Limited (a wholly owned subsidiary of Matrix Group) through its clean energy team. The Matrix Clean Energy Team has extensive renewable energy project management and finance experience across all sectors - including solar PV; solar thermal; wind; hydro; bio-mass; bio-fuel; CHP and anaerobic digestion across the UK and Europe – and experience in sourcing, and completing, clean energy projects, arranging the bank finance and managing the power generation projects from planning through to the production and sale of electricity

The table below illustrates the gross equivalent yields on an investor's capital once the tax benefits have been taken into account.

ILLUSTRATIVE YIELD	NET INVESTMENT COST	TARGET DIVIDEND PER ANNUM	TAX-FREE YIELD PER ANNUM *	GROSS EQUIVALENT DIVIDEND YIELD **	
				HIGHER RATE TAX PAYER	ADDITIONAL RATE TAX PAYER
100p before 30% tax relief	100p	6.5p	6.5%	8.7%	10.2%
100p after 30% tax relief	70p	6.5p	9.3%	12.4%	14.5%

* Tax free yield is calculated by dividing the target annual dividends by the net investment cost.

** Gross equivalent dividend yield is calculated by grossing up the tax-free yield by 25% for a higher (40%) rate tax payer or by 36.1% for an additional (50%) rate tax payer. These figures also account for the notional tax credit of 10% paid by the VCT on the dividend.

Rupert Lywood, Director and Co-Founder of Matrix Group, commented:

“Matrix is a leading specialist in investing in the renewable energy sector and I believe these two new VCTs offer attractive investment opportunities, particularly for an income investor.

The investment case for renewable energy is substantial. Solar photovoltaic technology is a well proven and reliable technology. The availability of the UK government's solar photovoltaic Feed-In Tariff launched in April 2010, which lasts for 25 years and is adjusted annually for inflation, underpins the long term revenues for our UK rooftop solar photovoltaic projects and, together with the substantial tax benefits from investing in a VCT, make investing in these projects an attractive proposition particularly for investors looking for long-term income.”

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The Matrix Clean Energy Team

Rupert Lywood

Rupert is one of the co-founders of the Matrix Group setting up the company in 1987 and is a chartered accountant. Rupert is a board member of Matrix Group Limited and in addition is currently a director or member of several other private trading companies or partnerships across the world. Over the past 23 years Rupert has managed or invested in many areas of renewable energy, health, property investment, closed end and open end investment trusts and direct private equity. Rupert has excellent renewable energy experience within Matrix and as a founder and chairman of Trinergy which built a wind farm business across Europe of over 640MW within 5 years and which was sold to International Power in 2007. Matrix has been involved in raising over €660 million of debt and equity capital for renewable energy projects.

Mark White

Mark joined Matrix in 2006 from Bank of Scotland where he was part of the project finance team that looked at large scale energy and infrastructure projects and was instrumental in underwriting over £800 million of senior and mezzanine debt finance. Mark is a physicist from Cambridge University and has deep understanding and experience of project finance. Mark's sector knowledge includes solar PV, solar thermal, small scale hydro, CHP, bio-gas, anaerobic digestion and bio-fuels. Mark has sophisticated technical and financial modelling skills. Mark sits on the board of a solar thermal manufacturing company in Sweden.

Ruby Jones

Ruby joined Matrix in 2007 from Monument Global Asset Management Limited and prior to that Merrill Lynch. Ruby's experience is in real estate and structured finance both as an equity investor and at Merrill Lynch within the real estate finance team as a senior and mezzanine debt underwriter of over €1.5 billion. Ruby is a political economist with a MA from the London School of Economics. Upon joining Matrix, Ruby played a key role in listing the Matrix European Real Estate Investment Trust Limited with assets worth £541 million. Currently Ruby plays a key role in establishing energy investment opportunities across the UK, France, Italy, Spain and Germany. She has excellent transactional experience working with developers, bankers, legal professionals and accountants to develop high yielding assets that meet the investment criteria. Ruby also works across other renewable sectors including small scale hydro, anaerobic digestion and bio-fuel.

Dr Steven Fawkes

Steven is head of energy research within Matrix Investment Banking, a role he has held for the last three and a half years. He publishes research notes and carries out financial analysis on the business activities of public companies and private companies as well as the sector as a whole. His remit grants him the opportunity to meet hundreds of energy companies each year, and he is well positioned to recommend and filter out good VCT investment opportunities in the UK and continental Europe. His role also gives him the opportunity to look for sales opportunities for the VCT clean energy assets. Prior to working at Matrix, he held roles at RWE Solutions, where he managed the development and deployment of technical energy savings solutions for the commercial sector, and as an adviser to the Romanian government on its energy policy. He speaks regularly at energy conferences, and has published a book on Outsourcing Energy Management.

The Matrix Clean Energy Team will also seek specialist advice from the following industry specialist consultants:

Dr Thomas Köllermeier

Dr Köllermeier is a director of DynaFinance Consulting GmbH, a German promoter of renewable energy investments within the EU states that was set up in 2002. Active in technological management since 1982 and financing plants since 1998, Thomas has focused on photovoltaic power plants in Italy. He has co-developed, financed and supervised the construction of 16 plants to date in Italy and is developing an extended project pipeline. His activities cover a wide variety of technologies from ground mounted, to double axis tracking devices. He maintains an ongoing operational relationship with all the projects he has been involved with, and is experienced in all aspects of solar PV. He holds an MSc in power plant engineering from University AF Munich and a PhD in Business Administration from IESE, Universidad de Navarra. He speaks regularly at energy conferences on solar electrical installations in Europe.

Notes for Editors

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Matrix-Securities is a wholly owned subsidiary of Matrix Group Ltd. Matrix Group is a privately owned financial services businesses in the UK with £4 billion of assets under management and around 250 professionals employed across three divisions: Asset Management, Investment Banking and Property. Since inception in 1987, Matrix Group has raised over £16.0 billion of assets for investments across these business areas.

The Matrix Clean Energy Linked VCT offer, advised by Matrix Securities, is separate to the linked offer for the Matrix Income & Growth VCT plc, Matrix Income & Growth 4 VCT plc and The Income & Growth VCT plc, all advised by Matrix Private Equity Partners LLP.

Fund details

Offer Size	£12.5m in each VCT (£25m in total)
Minimum investment	£5,000
Initial commission to intermediaries	2.5%
Trail commission to intermediaries	A one off 0.5%; or 0.375% annually (subject to a cumulative trail commission of 2.25%)
Annual Management Charge	1.5%
Performance Fee:	
Dividends	20% on subsequent dividends paid from income after a dividend of 6.5p is paid to investors.
Wind up:	The manager is entitled to 25% of aggregate distribution on a winding up amount per share on excess of a total return of 94.5p plus any dividend shortfall.